

## Message Text

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21

ACTION AF-08

INFO OCT-01 EB-07 NEA-10 ISO-00 /026 W

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R 050845Z AUG 76

FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASBDC 6114

COMMERCE DEPT WASHDC

INFO AMEMBASSY KUWAIT

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COMMERCE FOR MAJOR PROJECTS

E.O. 11652: N/A

TAGS: EINV, BEXP, MR, GU, US

SUBJECT: MAJOR PROJECTS: COPPET REFINERY AND STEELMILL

REF: (A) NOUAKCHOTT 864, (B) NOUAKCHOTT 870

1. STEPHEN M. CONGER, DIRECTOR INDUSTRIAL SYSTEMS STAFF, MAJOR PROJECTS COMMERCE, AND EMB. OFF. CALLED AUGUST 3 ON SENIOR STAFF OF SOCIETE ARABE DE L'INDUSTRIE .ETALLURGIQUE (SAMIA) IN ORDER TO DISFUSS PROPOSED COPPER REFINERY AND STEELMILL FOR MAURITANIA. STATUS OF SAMIA PROJECTS FOLLOWS:

2. CONTRACT FOR COPPER REFINERY HAS BEEN LET TO EUROPEAN COMPANY. SAMIA EXPECTS TO ANNOUNCE NAME OF SUCCESSFUL BIDDER VERY SOON. NO AMERICAN COMPANIES BID ON PROJECT. SAMIA STAFF WAS GENERALLY AGREED THAT FINANCING FOR PROJECT HAS BEEN ASSURED IN PRINCIPLE. OFFIIKRS IMPLIED THAT FINANCING WOULD COME FROM KUWAIT, ALTHOUGH THEY WERE VAGUE ON THIS QUESTION. CONSTRUCTION IS EXPECTED TO BEGIN BY END OF YEAR.

3. IDS FOR PELLETIZING PLANT (FIRST OF THREE STAGE STEEL-MILL PROJECT) ARE CURRENTLY BEING EVALUATED BY SAMIA. ALLIS CHALMERS IS REPORTEDLY IN STRONG CONTENTION; SAMIA HOPES TO REACH DECISION SOON. TENDERS FOR DIRECT REDUCTION PLANT (SECOND STAGE) HAVE NOT YET BEEN COMPLETED. SAMIA SAID TENDERS FOR SEC-

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OND STAGE WILL BE SENT TO SELECTED AMERICAN FIRMS, MAONG OTHERS.

SAMIA CONTINUES TO PLAN FOR STEELMILL WITH ONE MILLION TON CAPACITY AFTER COMPLETION OF ALL THREE STAGES. THERE WAS NOT FULL AGREEMENT AMONG STUFF ON STATUS OF FINANCING FOR STEELMILL. ALTHOUGH SENIOR MEMBER (AHMED WAFI) EXUDED OPTIMISC, OTHERS SEEMED MUCH LESS SANGUINE. IT APPEARED, HOWEVER, THAT FINANCING HAS NOT YET BEEN LOCATED ALTHOUGH SAMIA PROBABLY HOPES TO KUWAITI FUNDS.

4. SAMIA IS ALSO CONSIDERING CONSTRUCTION OF FERTILIZER PLANT IN CONJUNCTION WITH COPPER REFINERY PROJECT. SULFIDE OFF-TAKE FROM COPPER REFINERY WOULD BE TRANSFORMED INTO SULPHURIC ACID. THIS, IN TURN, WOULD BE MIXED WITH LOCALLY AVAILABLE SEASHELLS TO FORM BASIS FOR FERTILIZER. PROJECT IS STILL IN PRE-STUDY STAGE AND IT IS NOT CLEAR IF OUTSIDE COMPANY WILL BE ENGAGED TO DO STUDY OR IF IT WILL BE PREPARED IN-HOUSE.

5. SAMIA HAS RECENTLY MOVED INTO NEW QUARTERS IN NOUAKCHOTT. DUE PARTIALLY TO INCOMPLETE NATURE OF QUARTERS AND RELATIVE NEWNESS OF COMPANY, IT GIVES IMPRESSION OF MORE THAN USUAL DISARRAY AND DISORGANIZATION, ALTHOUGH THIS MAY BE OVERCOME WITH EXPERIENCE AND PASSAGE OF TIME. VERY COMPOSITION OF ITS SENIOR STAFF PROBABLY CONTRIBUTES TO THIS SITUATION. PRESIDENT OF SAMIA IS ISMAIL OULD AMAR (MAURITANIAN), DYNAMIC AND EXCEEDINGLY COMPETENT DIRECTOR GENERAL OF SOCIETE NATIONALE INDUSTRIELLE ET MINIERE (SNIM) WHICH HOLDS 50 PERCENT OF SAMIA'S OUTSTANDING SHARES. OULD AMAR DOES NOT INVOLVE HIMSELF, HOWEVER, IN ROUTINE ACTIVITIES OF SAMIA. DAILY OPERATIONS ARE SUPERVISED BY TWO VICE-PRESIDENTS--ONE KUWAITI WHO IS RESIDENT IN KUWAIT AND ONE MAURITANIAN, AHMED WAFI, WHO RESIDES IN NOUAKCHOTT. TWO VICE-PRESIDENTS ATBSSUPPORTED BY ASSIMTANT TO VICE PRESIDENT IN CHARGE OF TECHNICAL AFFAIRS, MOHAMMAD M. AL HOSSAYAN (KUWAITI), SENIOR ADVISER, DR. ESREF ZEKI AKA (TURK), ADVISER, YAHYA ASSWAD (SYRIAN), AND ADVISER, MASSAUD GACEMI (ALGERIAN). WAFI, ALTHOUGH VERY PLEASANT, DOES NOT YET HAVE COMPLETE GRASP OF TASK BEFORE HIM. AKA AND GACEMI APPEAR TO BE BEST INFORMED MEMBERS OF STAFF.

6. FOR KUWAIT: WE WOULD APPRECIATE ANY INFORMATION AVAILABLE TO EMBASSY KUWAIT ON POSSIBLE KUWAITI FINANCING FOR COPPER REFINERY AND STEELMILL.  
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7. FYI - EMBASSY HAS LEARNED FROM SENIOR EXECUTIVES OF LANGPRITCHARD THAT L/P HAS CONCLUDED INFORMAL AGREEMENTS WITH BELGIAN FIRM WHICH IS THOUGHT TO BE LEADING CONTENDER FOR COPPER SMELTER AND WITH ALLIS CHALMERS TO PROVIDE WHATEVER CIVIL ENGINEERING IS REQUIRED AND TO CONSTRUCT SMELTER IN NOUAKCHOTT AND PELLETIZING PLANT IN NOUADHIBOU. L/P WANTS TO EXPAND ITS ACTIVITIES IN MAURITANIA, AND IS HOPEFUL ITS

TENTATIVE COLLABORATORS WILL BE AWARDED SAMIA CONTRACTS.

END FYI      HANDYSIDE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, STEEL, PROGRAMS (PROJECTS), REFINERIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 AUG 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Disposition Reason:**  
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